
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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MEMORANDUM

DATE: July, 2003

TO: Township Assessors; County Assessors, Treasurers, and Auditors

FROM: Assessment Division, DLGF

SUBJECT: ANNUALLY ASSESSED MOBILE HOMES

This memorandum is written to answer several questions that have been asked of this agency with regard to the subject. You should also refer to 50 IAC 3.2, the DLGF rule on the assessment of mobile homes, for details.

The following question and answer was part of the memorandum dated January 27, 2003 that you received on the same subject:

Question: After receiving notice (Form 2) of the assessment, the owner of an annually assessed mobile home contacts the township assessor stating the true tax value is too high when compared to a nationally recognized pricing guide such as the NADA - Appraisal Guide for Manufactured Housing. Should the assessor revise the value based on this type of evidence?

Answer: The true tax value of any property in Indiana, including annually assessed mobile homes, is to be equal to its market value-in-use as defined in the 2002 Real Property Manual. Therefore, if there exists a better indication of true tax value than that produced by the schedules in the 2002 Real Property Assessment Guidelines that were used by the assessor, the assessor can adjust the value.

However, the national value guides are based on "averages" and do not necessarily represent the value of any individual mobile home. Therefore, an appraisal or sale of the mobile home would be better evidence of value. (emphasis added)

However, if an assessor wants to accept the guide as sufficient evidence of value, we recommend using the "average retail" value published in the guide. The assessor can make the change prior to March 1 when the values have to be certified to the auditor by sending the taxpayer a new Form 2. After that, the PTABOA would make the change.

The change would not have to be made by altering any of the grade or condition ratings in order for the value produced by the 2002 Real Property Guidelines to come out the same as the value from an appraisal, sale, or national guide. The assessor, or PTABOA, could simply enter the new value into a column of the Valuation Record section of the mobile home worksheet with an appropriate reason such as "appeal" or "Market Adj." or something along those lines.

The above answer was not intended as a global authorization to use the NADA Guide in lieu of the cost and depreciation tables contained in the mobile home rule (50 IAC 3.2). The NADA Guide is not a mass

appraisal method. The answer stated it was allowable to use the NADA Guide to adjust the value of an **individual** mobile home upon appeal if the assessor found that the guide provided better evidence of value than the rule.

The use of the NADA Guide requires the assessor to properly apply the methodology outlined in the Guide in making an estimate of value. The Department also stresses that the use of the value shown on the NADA website does not take all factors affecting value into consideration and therefore is not good evidence of market value. Such items as set-up costs, value of amenities not included in the base price, and location factors must be taken into consideration if an accurate estimate of value is to be derived from the Guide. Therefore, the assessor must fully understand the use of the NADA Guide, and use it properly, if accurate values are to result. The NADA Guide is available in a CD Rom version that permits more accurate valuation of individual mobile homes.

We understand that some assessors and counties have used the NADA Guide to adjust mobile home values countywide. The Department does not endorse this practice but will not require counties to undo what has already been done.

Question: If I used the NADA Guide to value annually assessed mobile homes in my jurisdiction, do I need to also use the Guide in valuing real property mobile homes.

Answer: Yes, any jurisdiction that used the NADA Guide on annually assessed mobile homes must also apply it to the 2002 real property mobile homes in order to achieve equity in assessments on like property. This may mean that real property mobile home assessments will have to be changed if they have already been finalized.

Question: A mobile home located in a mobile home park and owned by the owner of the park was put on as annually assessed for 1/15/02 and subsequently picked up as real property, for 3/1/02, during the 2002 reassessment. This occurred because it was located on land owned by the owner of the mobile home and the statutes and new rule, 50 IAC 3.2, require such mobile homes to be treated as real property. Does this not result in the mobile home being assessed twice for the 2002 assessment year? If yes, how should this situation be handled?

Answer: Yes, the mobile home has been assessed twice and will be double taxed if this is not corrected. The way to correct this situation is to issue a Form 133 appeal for the 1/15/02 annual assessment and have the owner file a Form 17T to get a refund of the annually assessed mobile home taxes paid during calendar year 2002.

The new mobile home rule, 50 IAC 3.2, updated values for the first time since 1989. The Department used standard mass appraisal guides, including Marshall and Swift publications, and information supplied by the Indiana Manufactured Housing Association in developing the cost and depreciation tables contained in the rule. However, as in past years, the Department's depreciation schedules may require some adjustments. The Department intends to promulgate new standards to address concerns expressed by some taxpayers and local officials regarding the depreciation schedules.

Contact Person: Assessment Division Field Representative for your respective county; their name and telephone number can be obtained from the county assessor. You may also access www.in.gov/dlgf/contact/ for information.

COUNTY ASSESSORS: Please see that the township assessors and trustee assessors receive a copy of this memorandum.